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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: March 01, 2007

Bures, Hahn to Be Sworn In

¶1. Minister for Women's Issues Doris Bures of the SPOe and Science Minister Johannes Hahn of the OeVP are the last two members of the coalition cabinet to be officially sworn in by President Heinz Fischer today. The two have been ministers without portfolio since inauguration of the SPOe-OeVP government in January, as their ministries did not exist under the former administration and the law providing for them had to be passed first, ORF online news writes.

Darabos Criticizes Budget

¶2. Defense Minister Norbert Darabos (SPOe) has refused to approve the 2007 and 2008 draft budget submitted by Finance Minister Wilhelm Molterer. The proposal leaves him "short by about 50 to 60 million Euros," Darabos told an Austrian daily. He would not run the risk of "a single Austrian soldier being brought home in a casket, simply because I don't have the armored vehicles for our missions abroad that meet today's requirements," Darabos added. Liberal daily Der Standard reports that while all other cabinet ministers have already given their approval of the 68-billion-Euro Austrian double budget for 2007/2008, Defense Minister Norbert Darabos vetoed the draft; thus blocking final agreement. Darabos is demanding additional funds to finance reform of Austria's armed forces.

New Name for Foreign Ministry

¶3. As of March 1, the Austrian Ministry for Foreign Affairs will be using its new name: "Federal Ministry for European and International Affairs." The Ministry's new homepage can be accessed at: www.bmeia.at and e-mail addresses from now on terminate in @bmeia.at. The old homepage and former e-mail addresses will be kept operational for the time being, however, according to mass-circulation daily Kurier.

Berger Wants to Empty Prisons

¶4. Austrian Minister for Justice Maria Berger (SPOe) wants to reduce the number of prisoners held in Austria by at least ten percent in the next few years. Among the measures she proposes is imposing more fines or house arrest rather than prison terms. In an interview with centrist daily Die Presse, Minister for Justice Maria Berger outlines her plans for the Austrian judiciary. A key element of her policy will be to bring back the juvenile detention center and court, abolished by the OeVP-FPOe-BZOe government. Such

an institution is "necessary" for juvenile delinquents, Berger says, adding that she has always supported separate courts and prisons for juvenile offenders.

EU Clears Bawag Sale

15. EU competition authorities in Brussels have cleared the sale of Austrian union-owned bank Bawag to the US company Cerberus for 3.2 billion Euros, the largest cash sale in Austrian banking history. Bawag got into trouble for failed currency speculation. About 2.6 billion Euros from the sale will go to settle union federation debts, semi-official daily Wiener Zeitung reports. Meanwhile, Helmut Elsner, the former head of Bawag, who faces trial on fraud and false accounting charges, remains in detention awaiting trial following heart surgery.

McCain Launches White House Bid

16. US Senator John McCain has officially announced he'll seek his Republican Party's nomination for next year's presidential election. He made the announcement on a late-night talk show on US television. His main rival for the nomination is former New York mayor Rudi Giuliani, who has widened his lead in recent weeks as the favorite candidate among Republicans. ORF online news, reporting on Senator John McCain's announcement he will run for nomination, says the Vietnam War veteran has always emphasized his foreign policy and military competence. Liberal daily Der Standard online writes that McCain's candidature had been widely expected. McCain has in the past few years followed his own political course, the daily says, citing as an example the Senator's push for outlawing torture. Reporting on a number of other presidential hopefuls, semi-official daily Wiener Zeitung suggests that Senator Barack Obama is running the risk of being caught in a dilemma in his race for the White House: While he strikes a popular chord with his fight-the-political-establishment approach, many observers are irritated by his stance on two key elements of US policy - race and religion. He is hiding his Muslim origins, and is not doing enough to promote the right of African Americans, they argue, according to the Wiener Zeitung.

Prodi Survives Senate Vote

17. Italian Prime Minister Romano Prodi narrowly survived a motion of confidence in the Senate, allowing him to continue in office. The vote came a week after Prodi lost a Senate vote on his foreign policy, prompting Italy's center-left government to stand down. Given his narrow victory, Austrian media wonder how long Prodi's government will last.

US Getting Ready To Stay In Iraq

18. According to US Defense Secretary Robert Gates, the United States will have to keep a military presence in Iraq for years to come, liberal daily Der Standard reports. Gates told the US Senate he believes US soldiers will have to stay in the country for an "extended period of time." The future US contingent in Iraq would be much smaller than it is today.

US Willing To Talk With Iran, Syria

19. All major Austrian media continue to report on what they describe as an "unexpected about face" in US Middle East policy, following the surprise announcement by Secretary of State Rice earlier this week that the United States is prepared to participate in a security conference in Iraq, which Iranian and Syrian representatives are also expected to attend. Foreign affairs writer for independent provincial daily Salzburger Nachrichten Thomas Spang comments: "Is US President George W. Bush finally prepared to implement the recommendations of the Iraq study group and just unable to admit it? The diplomatic turnaround with regard to Iran and Syria is cause for hope. (...) In view of the chaotic situation in Iraq and the resistance of high-ranking US generals, President Bush can only profit from talks with Iran and

Syria. Even if they definitely refuse cooperation in stabilizing Iraq that would at least prove that failure in this regard is not exclusively attributable to the White House's inability to make progress. There is also hope that Bush will implement a second element of the Baker report: To start the withdrawal of the US troops this year . (...) Whether there is a concept behind the military and diplomatic parallel efforts on the part of the White House that relates to the experts' recommendations, however, remains speculation. Congress has to continue to increase its pressure to achieve a lasting change of strategy in Iraq."

Meanwhile in liberal daily Der Standard, foreign affairs editor Gudrun Harrer says that it is a "veritable change of policy by the US when, all of a sudden and without fanfare, it announces its intention to speak with Iran and Syria about Iraq - albeit not on the bilateral level, but at least in high-level talks. However, one should not get carried away: Washington has not become active on its own accord in an attempt to implement the recommendations of the Baker-Hamilton commission; rather, it follows an Iraqi request and a purely Iraqi initiative. (...) Past attempts by Teheran and Washington to engage in talks have been numerous - almost for the entire last year, both parties have been blaming each other for not being ready to talk. And they were both right. Of course, the primary obstacle was the Iranian request to talk about more than just Iraq. That is the reason why a preparatory meeting is so important and failure before April is still possible. Washington seems to have realized that Iraq can only be stabilized by firmly anchoring the country in the region. However, Teheran had better not expect concessions with regard to other issues."

"US Is Ultimate Decision Authority"

¶10. In an interview with an Austrian daily, Polish military expert Maria Wagrowska said the decision in favor of stationing US missile defense systems in Poland is a done deal.

In an interview with liberal daily Der Standard, Polish military expert Maria Wagrowska stressed why Poland is in favor of having a US missile defense system on its territory: "Since 1990, Poland's policy has been pro-US. It is therefore only natural for Poland to play its part in the US missile defense system. Furthermore, the Polish government is convinced that a missile defense shield will make the country more secure, because any attack on Poland would virtually amount to declaring war on the US. The US would not only defend its anti-missile system stationed in Poland, but the entire Polish territory. Secondly, the Polish government is hoping to get Patriot missiles (...) from the US in exchange for its agreement to have the US defense system stationed here, and thus close the gap in our air raid defenses."

McCaw